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**DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana**

**Financial Statements
With Independent Auditors' Report
As of and for the Year Ended
June 30, 2003
With Supplemental Information Schedules**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11-19-03

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana

Financial Statements
As of and for the Year Ended June 30, 2003
With Supplemental Information Schedules

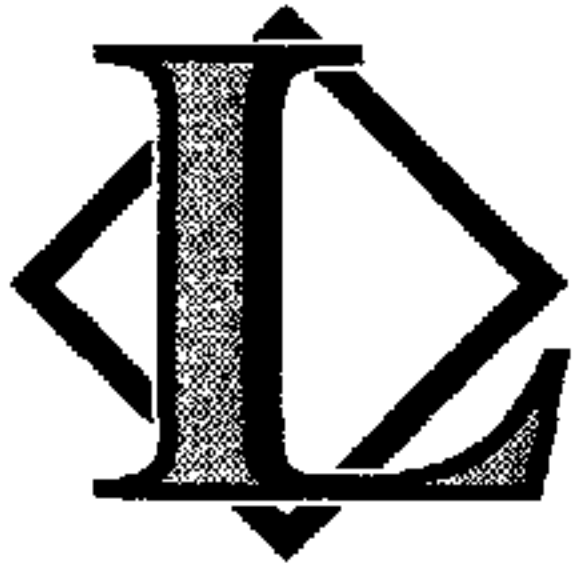
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DESOTO PARISH SALES AND
USE TAX COMMISSION
Mansfield, Louisiana
Contents, June 30, 2003

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LITTLE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA
CHARLES R. MARCHBANKS, JR., CPA

Independent Auditors' Report

**DESOTO PARISH SALES AND
USE TAX COMMISSION**
Mansfield, Louisiana

We have audited the financial statements of the DeSoto Parish Sales and Use Tax Commission, as of June 30, 2003, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the DeSoto Parish Sales and Use Tax Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the DeSoto Parish Sales and Use Tax Commission as of June 30, 2003, and the results of its operations for the year then ended, in conformity with U.S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements of the DeSoto Parish Sales and Use Tax Commission. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

DESOTO PARISH SALES AND
USE TAX COMMISSION
Mansfield, Louisiana
Independent Auditors' Report,
June 30, 2003

In accordance with *Government Auditing Standards*, we have also issued a report dated October 30, 2003, on the DeSoto Parish Sales and Use Tax Commission's compliance with laws, regulations, and contracts, and our consideration of the agency's internal control. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Little & Associates

Monroe, Louisiana
October 30, 2003

**FINANCIAL STATEMENTS
(OVERVIEW)**

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, June 30, 2003

	GOVERNMENTAL FUND TYPE-		FIDUCIARY FUND TYPE - SALES TAX COLLECTION AGENCY FUND	...ACCOUNT GROUPS...		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	CAPITAL PROJECTS		GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
ASSETS AND OTHER DEBITS						
Cash	\$20,661	\$60	\$3,000			\$23,721
Office furnishings and equipment				\$495,276		495,276
Amount to be provided for retirement of general long-term obligations					\$3,693	3,693
TOTAL ASSETS AND OTHER DEBITS	<u>\$20,661</u>	<u>\$60</u>	<u>\$3,000</u>	<u>\$495,276</u>	<u>\$3,693</u>	<u>\$522,690</u>
LIABILITIES AND FUND EQUITY						
Liabilities:						
Due to others			\$3,000			\$3,000
Accounts payable	\$10,534					10,534
Compensated absences payable					\$3,693	3,693
Total Liabilities	<u>10,534</u>	<u>NONE</u>	<u>3,000</u>	<u>NONE</u>	<u>3,693</u>	<u>17,227</u>
Fund Equity:						
Investment in general fixed assets				\$495,276		495,276
Fund balance:						
Reserved for capital project		\$60				60
Unreserved - undesignated	<u>10,127</u>					<u>10,127</u>
Total Fund Equity	<u>10,127</u>	<u>60</u>	<u>NONE</u>	<u>495,276</u>	<u>NONE</u>	<u>505,463</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$20,661</u>	<u>\$60</u>	<u>\$3,000</u>	<u>\$495,276</u>	<u>\$3,693</u>	<u>\$522,690</u>

The accompanying notes are an integral part of this statement.

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
GOVERNMENTAL FUND TYPES

Combined Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2003

	GENERAL FUND	CAPITAL PROJECT	TOTAL
REVENUES			
Fees, charges, and commissions for services	\$241,941	\$140,992	\$382,933
Use of money and property	187	1,122	1,309
Intergovernmental		94,981	94,981
Total revenues	<u>242,128</u>	<u>142,114</u>	<u>384,242</u>
EXPENDITURES			
Finance and administrative:			
Current:			
Personal services and related benefits	187,123		187,123
Operating services	31,632		31,632
Materials and supplies	6,092		6,092
Travel and other charges	6,499	156	6,655
Capital outlay	3,444	375,889	379,333
Intergovernmental		94,981	94,981
Total expenditures	<u>234,790</u>	<u>376,045</u>	<u>610,835</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	7,338	(233,931)	(226,593)
OTHER FINANCING SOURCE:			
Proceeds from sale of assets	<u>265</u>		<u>265</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	7,603	(233,931)	(226,328)
FUND BALANCES AT BEGINNING OF YEAR	<u>2,524</u>	<u>233,991</u>	<u>236,515</u>
FUND BALANCES AT END OF YEAR	<u><u>\$10,127</u></u>	<u><u>\$60</u></u>	<u><u>\$10,187</u></u>

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget
(GAAP) Basis and Actual
For the Year Ended June 30, 2003

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Fees, charges, and commissions for services	\$229,824	\$241,941	\$12,117
Use of money and property	200	187	(13)
Total revenues	<u>230,024</u>	<u>242,128</u>	<u>12,104</u>
EXPENDITURES			
Finance and administrative:			
Current:			
Personal services and related benefits	188,615	187,123	1,492
Operating services	29,871	31,632	(1,761)
Materials and supplies	5,368	6,092	(724)
Travel and other charges	5,250	6,499	(1,249)
Capital outlay	3,444	3,444	
Total expenditures	<u>232,548</u>	<u>234,790</u>	<u>(2,242)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(2,524)	7,338	9,862
OTHER FINANCING SOURCE:			
Proceeds from sale of assets		265	265
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	(2,524)	7,603	10,127
FUND BALANCE AT BEGINNING OF YEAR	<u>2,524</u>	<u>2,524</u>	
FUND BALANCE AT END OF YEAR	<u>NONE</u>	<u>\$10,127</u>	<u>\$10,127</u>

**DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana**

Notes to the Financial Statements
As of and For the Year Ended June 30, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article VII, Section 3 of the Louisiana Constitution of 1974, the DeSoto Parish Sales and Use Tax Commission serves as the collector of sales and use taxes for the parish. The commission is comprised of five members, two each selected from the DeSoto Parish School Board and the DeSoto Parish Police Jury and one selected from the City of Mansfield, in accordance with a joint agreement of the agencies. The commissioners serve for indefinite terms and without benefit of compensation.

A. REPORTING ENTITY

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The DeSoto Parish Sales and Use Tax Commission was created as a political subdivision of the state under the provisions of Article VII, Section 3, of the Louisiana Constitution of 1974. Commission board members are appointed by taxing authorities imposing sales taxes within the parish and are solely accountable for fiscal matters, which include fiscal management for controlling the collection and disbursement of funds. Additionally, the commission is the collector for all sales and use taxes within the parish. Based on the above, the commission was determined to be a separate governmental reporting entity. The commission includes all funds, account groups, activities, et cetera, that are within the primary responsibility of the commission. Certain units of local government over which the commission exercises no primary responsibility, such as the DeSoto Parish Police Jury, School Board, Assessor, Clerk of Court, and municipalities within the parish, are excluded from the accompanying financial statements. These units of local government are governed by independently elected officials. They are neither controllable by nor answerable to the DeSoto Parish Sales and Use Tax Commission. Further, their operations do not require the approval of the commission nor is the commission legally or morally responsible for their actions. They are considered separate reporting entities and issue financial statements separate from those of the DeSoto Parish Sales and Use Tax Commission.

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
Notes to the Financial Statements (Continued)

B. FUND ACCOUNTING

The commission uses funds and account groups to report on financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The commission's current operations require the use of governmental and fiduciary funds as described below:

Governmental Fund Type - General Fund

The General Fund is the principal fund and is used to account for the operations of the commission. The commission's primary source of revenue is fees for the collection of sales and use taxes. General operating expenditures are paid from this fund.

Capital Projects Fund

Capital projects funds are used to account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
Notes to the Financial Statements (Continued)

**Fiduciary Fund Type - Sales Tax
Collection Agency Fund**

The Sales Tax Collection Agency Fund is used to account for the collection and distribution of sales and use taxes imposed by the various taxing authorities within the parish. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

C. FIXED ASSETS AND LONG-TERM OBLIGATIONS

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. All of the fixed assets are valued at actual historical costs. No depreciation has been provided on general fixed assets.

Only that portion of long-term obligations for compensated absences expected to be financed from expendable available financial resources is reported as a liability of the general fund. The remaining portion of such obligations is reported in the general long-term obligations account group.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting the governmental and fiduciary fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The commission uses the following practices in recording revenues and expenditures:

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
Notes to the Financial Statements (Continued)

Revenues:

Fees for the collection of sales and use taxes are recorded when the commission is entitled to the funds which is normally the same month the taxes are collected.

Interest income on demand deposits is recorded monthly when the interest is earned and credited to the account.

Based on the above criteria, fees, charges, and commissions for services are treated as susceptible to accrual.

Expenditures:

Expenditures are generally recognized under the modified accrual basis when the related fund liability is incurred.

E. BUDGET PRACTICES

The following presents the budgetary calendar process for the DeSoto Parish Sales Tax Commission:

During March and April the administrator prepares a preliminary budget for presentation to the commission. In accordance with adopted policies of the commission, the budget document must include the following:

1. A budget message, signed by the administrator, which includes a summary description of the most important features and objectives of the budget.
2. A budget summary listing, by account group.
3. A proposed budget adoption resolution for the city, school board, and police jury.

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
Notes to the Financial Statements (Continued)

The commission then reviews the proposed budget, makes any changes it deems appropriate, and approves the budget for submission to the taxing bodies on or before May 1.

The city, school board, and police jury, no later than June 15, approve or reject the budget.

During the year, the administrator is authorized, subject to approval of the commission, to make changes within budget classifications as he may deem appropriate. However, any reallocation of budgeted amounts in excess of 5% of total revenues, total expenditures, and/or beginning fund balance, must be approved in advance by the city, school board, and police jury.

Appropriations lapse at year-end and must be reappropriated for the following year to be expended. Budgeted amounts included in the accompanying financial statements include the original budget amounts and any subsequent amendments.

F. CASH

Under state law, the commission may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The commission may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2003, the commission has cash (book balances) totaling \$23,721.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at June 30, 2003, total \$44,524 fully secured by federal deposit insurance and pledged securities.

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
Notes to the Financial Statements (Continued)

G. VACATION AND SICK LEAVE

All employees earn from 10 to 20 days vacation leave each year depending on length of service. Unused vacation leave may be carried forward to the succeeding year up to a maximum of 5 days and is paid to employees upon separation from service.

All employees receive one day of sick leave per month. Sick leave may be accumulated, however upon separation from service, all unused sick leave is forfeited.

At June 30, 2003, employees of the commission have accumulated and vested \$3,693 of employee leave benefits, computed in accordance with GASB Codification Section C60. The liability is recorded within the general long-term obligations account group.

The cost of leave privileges, computed in accordance with the previous codification, is recognized as a current-year expenditure within the general fund when leave is actually taken or when employees are paid for accrued leave under the conditions previously outlined.

**H. TOTAL COLUMN ON THE
BALANCE SHEET**

The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis (overview). Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

I. RISK MANAGEMENT

The sales tax commission is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the commission maintains commercial insurance policies covering; automobile liability, medical payments, uninsured motorist, and collision; business liability; property coverage; workers compensation; and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. In addition to the above policies, the commission also maintains an errors and omissions claims paid policy.

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
Notes to the Financial Statements (Continued)

No claims have been filed on the policy during the past three years nor is the commission aware of any unfiled claims.

2. CHANGES IN GENERAL FIXED ASSETS

The following schedule presents changes in office furnishings and equipment for the year ended June 30, 2003:

	Balance at July 1,	Additions	Deletions	Balance at June 30,
Buildings		\$389,607		\$389,607
Office furnishings and equipment	\$83,792	36,856	(\$14,979)	105,669
Construction in progress	47,130	342,477	(389,607)	NONE
Total	<u>\$130,922</u>	<u>\$768,940</u>	<u>(\$404,586)</u>	<u>\$495,276</u>

3. PENSION PLAN

All employees of the commission are members of the Louisiana Teachers' Retirement System (TRS) under an agreement with the DeSoto Parish School Board. This system is a cost-sharing, multiple-employer defined benefit pension plan. Pertinent information relative to the plan follows:

The TRS consists of three membership plans: Regular Plan, Plan A, and Plan B. Employees of the commission are members of the Regular Plan. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (504) 925-6446.

Plan members are required to contribute 8.0 percent of their annual covered salary. The commission is required to contribute at an actuarially determined rate. The current rate is 13.1 percent of annual covered payroll for all three membership plans. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the commission.

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
Notes to the Financial Statements (Continued)

The commission's contributions to the TRS for the years ending June 30, 2003, 2002, and 2001, were \$18,459, \$17,313, and \$15,818, respectively, equal to the required contributions for each year.

4. CHANGES IN AGENCY FUND BALANCES

A summary of changes in sales tax collection agency fund balance due to others follows:

Balance at July 1, 2002	\$3,000
Additions	11,279,320
Deductions	<u>(11,279,320)</u>
Balance at June 30, 2003	<u>\$3,000</u>

5. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

For the year ended June 30, 2003, the commission had long-term obligations consisting solely of compensated absences. The following is a summary of changes in compensated absences for the year ended June 30, 2003:

Compensated absences payable at July 1, 2002	\$3,176
Additions	7,581
Reductions	<u>(7,064)</u>
Compensated absences payable at June 30, 2003	<u>\$3,693</u>

6. FUND BALANCE RESERVE

The capital project program is funded by an 1 percent increase in collection fees. The revenues were used to construct a new building to house the commission. The following schedule provides detail on changes in the reserve during the year ended June 30, 2003:

Balance on hand at July 1, 2002	\$233,991
Collections	235,973
Interest	1,122
Reductions	<u>(471,026)</u>
Balance on hand at June 30, 2003	<u>\$60</u>

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
Notes to the Financial Statements (Continued)

7. LITIGATION AND CLAIMS

In the opinion of the commission's legal counsel, the commission is not involved in any litigation at June 30, 2003, that would materially affect the financial position of the commission nor is it aware of any unasserted claims.

SUPPLEMENTAL INFORMATION SCHEDULES

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended June 30, 2003

GOVERNMENTAL FUND TYPE - GENERAL FUND

The General Fund is used to account for the general operating expenditures of the commission. Schedule 1 provides a detail of expenditures, by category, for the General Fund.

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Schedule of Expenditures, By Character
For the Year Ended June 30, 2003

PERSONAL SERVICES	\$143,096
Salaries	135
FICA	18,459
Retirement contributions	23,882
Group insurance contributions	1,551
Medicare taxes	<u>187,123</u>
Total personal services	
OPERATING SERVICES	193
Data processing services	1,428
Legal services	4,200
Audit costs	1,303
Dues and subscriptions	314
Advertising	5,924
Postage and permits	373
Contracted janitorial services	3,694
Utilities	100
Repairs and upkeep of equipment	2,403
Repairs and upkeep of building	1,875
Building lease	5,836
Telephone	3,904
Insurance	85
Bank charges	<u>31,632</u>
Total operating services	
MATERIALS AND SUPPLIES	3,326
Office supplies	2,766
Printing forms	<u>6,092</u>
Total materials and supplies	
TRAVEL AND OTHER	<u>6,499</u>
Travel	
CAPITAL OUTLAY	<u>3,444</u>
Equipment	
Total expenditures	<u><u>\$234,790</u></u>

**DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended June 30, 2003**

FIDUCIARY FUND TYPE - AGENCY FUND

SALES TAX COLLECTION FUND

Article VII, Section 3 of the Louisiana Constitution of 1974, provides that the commission shall be authorized to serve as the single collector of sales and use taxes in DeSoto Parish. The Sales Tax Collection Agency Fund is used to account for the collection and distribution of these taxes to the appropriate taxing bodies.

Schedule 2

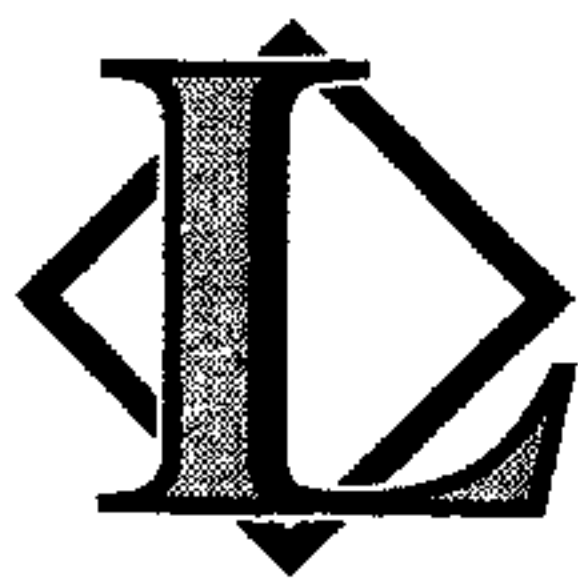
DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
FIDUCIARY FUND TYPE - SALES TAX COLLECTION
AGENCY FUND

Schedule of Changes in Balances
Due to Others
For the Year Ended June 30, 2003

DEPOSIT BALANCE AT BEGINNING OF YEAR	<u>\$3,000</u>
ADDITIONS	
Sales tax collections	<u>11,279,320</u>
DEDUCTIONS	
Taxes distributed to others:	
DeSoto Parish School Board	7,034,672
DeSoto Parish Police Jury	2,815,853
City of Mansfield	751,717
Town of Logansport	123,421
Village of South Mansfield	27,043
Town of Stonewall	100,367
Village of Grand Cane	33,849
Town of Keachi	9,465
Collection fees (transferred to General Fund)	<u>382,933</u>
Total deductions	<u>11,279,320</u>
DEPOSIT BALANCE AT END OF YEAR	<u><u>\$3,000</u></u>

**Independent Auditors' Report Required
by *Government Auditing Standards***

The following independent Auditors' report on compliance with laws, regulations, and contracts, and internal control is presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



LITTLE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA
CHARLES R. MARCHBANKS, JR., CPA

**Independent Auditors' Report on Compliance and
Internal Control Over Financial Reporting**

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana

We have audited the financial statements of the DeSoto Parish Sales and Use Tax Commission as of and for the year ended June 30, 2003, and have issued our report thereon dated October 30, 2003. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the DeSoto Parish Sales and Use Tax Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the DeSoto Parish Sales and Use Tax Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
Independent Auditors' Report on Compliance
And Internal Control Over Financial Reporting, etc.
June 30, 2003

This report is intended for the information and use of the DeSoto Parish Sales and Use Tax Commission, management of the commission's office, Legislative Auditor, and interested local tax recipient agencies and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Little & Associates

Monroe, Louisiana
October 30, 2003

**DESOTO PARISH SALES AND
USE TAX COMMISSION
Mansfield, Louisiana**

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2003**

A. SUMMARY OF AUDIT RESULTS

1. The Auditors' report expresses an unqualified opinion on the financial statements of DeSoto Parish Sales and Use Tax Commission.
2. No instances of noncompliance material to the financial statements of DeSoto Parish Sales and Use Tax Commission were disclosed during the audit.
3. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

**DESOTO PARISH SALES AND
USE TAX COMMISSION
Mansfield, Louisiana**

**Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2003**

There were no audit findings reported in the audit for the year ended June 30, 2002.